

SECTION VIII. INTERNATIONAL SECURITY PROGRAMS

Part 1. INTERNATIONAL CONTRACTS

8-100 Purpose. The purpose of this section is to set forth: the responsibilities for the protection of foreign government classified information in contracts awarded to industry within the U.S., the procedures which shall be used to ensure that the U.S. meets its obligations to protect foreign classified information, and instructions for the award of U.S. classified contracts to foreign firms.

8-101 Bilateral Security Agreements.

a. To establish the intent of both parties to protect each others classified information, the U.S. negotiates two basic **types** of security agreements with other governments, the General Security of Information Agreement and the Industrial Security Protocol. The Deputy Director (Industrial Security), **HQ DIS** is responsible for maintaining a current listing of those countries which have entered into either type of bilateral agreement. Cleared contractor facilities should contact the CSO for information concerning these agreements.

(1) The General Security of Information Agreement (GSOLA). The **GSOLA** is a government-to-government agreement, negotiated through diplomatic channels. It states, in substance, that each party to the agreement will afford to the classified information provided by the other, the degree of security protection afforded it by the releasing government. It contains provisions concerning the use of each government's information, third party transfers, and proprietary rights. It specifies that transfers of information will be on a government-to-government basis. It provides that both parties agree to report any compromise, or possible compromise, of classified information furnished by the other party. Moreover, the **GSOLA** states that both parties will permit visits by security experts of the other party for the purpose of conducting reciprocal security surveys. The purpose of such surveys is to determine whether the foreign government has the capability to protect U.S. classified information in a manner that is substantially equivalent to the protection afforded to **it** by the U.S.

(2) The Industrial Security Protocol. The Industrial Security Protocol is negotiated by the DoD as an 'annex-to the **GSOLA**, with those foreign governments with which DoD has entered-into **coproduction, codevelop-**ment, and/or reciprocal procurement arrangements involving industry. It includes provisions for clearance of facilities and personnel, the handling and transmission of classified material, and procedures for visits.

b. The above-cited security agreements apply only when a contract, subcontract, or other such government-approved arrangement, is awarded to a foreign or U.S. contractor by, **or** on behalf of, the U.S. Government or the signatory foreign government, as applicable. They do not apply in the case of an industry-to-industry arrangement, unless it is

in furtherance of a documented government-to-government cooperative program, such as a **coproduction** memorandum of understanding. In such instances, the government-to-government arrangement will stipulate that all classified military information approved for release under the program will be safeguarded in accordance with the applicable **GSOLA** and Industrial Security Protocol. If such agreements do not exist with the foreign government concerned, the necessary security provisions are incorporated in the documentation establishing the government-to-government program. Consequently, subcontracts which require the release of U.S. classified military information may be awarded to foreign industry only when: (1) the subcontract is in furtherance of a specific government-to-government arrangement or, (2) assurances are obtained through government channels that the government of the country in which the foreign industry resides will assume responsibility for ensuring the security protection of the U.S. classified information involved. All such subcontracts require the approval of the user agency having jurisdiction over the classified information involved.

8-102 General. Upon receipt of classified information furnished under the above-cited agreements, the receiving government **shall** administer the **same** security protection it **applies** to its own classified information of an equivalent classification level. The receiving government shall be responsible for information so received, while it **is** within its territorial jurisdiction or while it is possessed by, or furnished to, persons it authorized to receive such information pursuant to this arrangement. However, in the event subcontracts are awarded to a contractor in the country originally furnishing the classified information, that country will assume responsibility for the security of such information.

a. costs. Costs incurred in conducting security investigations and inspections related to the contract **will** be borne by the government rendering the **service**. Other security costs, including the transportation of classified material, shall be borne by the party for whom the contract is to be performed. Each contract shall contain provisions concerning security costs to be incurred under the contract.

b. Transmission. Transmission of classified material shall be made **only** through representatives designated by each of the governments. Each contract or subcontract shall specify the transmission channels to be used. Such transmission **shall** be only through government-to-government channels.

c. Use of U.S. Information. U.S. contractors **shall** not use, incorporate, disclose, or release any U.S. classified information, other than that furnished to them for use **in** connection with the classified contract, without the express written authorization of the UA responsible **for** the information. The appropriate authority of the responsible UA shall **ensure** that the proposed release is consistent with the National Disclosure Policy.

d. "U.S. Munitions List" Items. **If** U.S. classified information or unclassified technical information on the **"U.S. Munitions List"** is involved in **the** foreign **government's** procurement, an export license from the Department of State is required, **unless** export is permitted under the

exemptions in sections 125 or 126 of the ITAR. The export authorization letter **or** license is prima facie evidence to the contractor that **the request** for disclosure of the U.S. classified information or material in the foreign government's contract has been staffed by the Department of State with the UA whose classified information is involved. However, if the license involves the release of U.S. classified information, the provisions of paragraph 65, **ISM**, apply.

e. Subcontracts. Unless specifically prohibited in the classified contract, the following rules apply.

(1) **A U.S.** contractor may subcontract within the U.S. in accordance with **section VI, ISM**, and within the country of the contracting government under the procedures prescribed in paragraph 8-104.

(2) "A subcontract may be placed in another country only with the permission of, and under conditions agreed to by, the contracting or sponsoring government, the government of the country of the subcontractor, **and** the prime contractor's government.

f. Security Requirements Clause. Each government in the process of negotiating or approving a classified contract is required to incorporate in the contract document an appropriate security requirements clause, and any other security provisions of the classified contract shall be furnished to the government agency designated to furnish security supervision over the contract. The Deputy Director (Industrial Security), HQ DIS is the U.S. Government agency that **shall** receive security requirements clauses from the foreign government for its classified contract. In turn, the Deputy Director (Industrial Security), **HQ DIS** shall furnish such clause to the U.S. contractor or subcontractor through the CSO.

g. Responsibility for Channels of Transmission. The **CSO will be** requested by the Deputy Director (Industrial Security), HQ DIS, to designate a **U.S. Government** representative to **serve** as the channel for the transmission of classified information between the U.S. and the foreign government. The CSO will furnish guidance **to** the U.S. Government representative as follows .

(1) For Information to be Transmitted Outside the U.S.

(a) Ensure that the contractor has an export authorization letter or license issued by the Department of State in accordance with the ITAR (reference (i)), or that the necessary determination has been made, in accordance with the U.S. foreign disclosure policy, that the U.S. classified information or material is releasable to the foreign government concerned under a government-approved program.

(b) Ensure that the information to be exported is that for which the necessary export and disclosure authorization has been obtained and does not contain other U.S. classified information in the possession **of** the contractor, unless specifically authorized in writing **as** prescribed in paragraph 8-102c above.

(c) Verify that U.S. classified material authorized for release to **the** foreign government is marked with the U.S. classification and the equivalent foreign classification. Affix the foreign country name before its classification marking, and type "U.S." before the U.S. classification. If the equivalent foreign classification is **in** English, an additional classification marking is not necessary. The U.S. classified material authorized for release to the foreign government will bear an appropriate downgrading and declassification marking.

(d) Examine the material for proper packaging in accordance with paragraph 17, ISM.

(e) **Obtain** instructions on how and where to ship from the Deputy Director (Industrial Security), **HQ DIS**, through the CSO, after such instructions have been obtained from the foreign government representing the foreign procuring activity. The method of shipping will be in accordance with UA shipping regulations or instructions while the material is under U.S. control, before delivery to the foreign procuring activity.

(f) Obtain **an** appropriate receipt for the shipment from the representative of the foreign government.

(2) For Information Received from Outside the U.S.

(a) If the foreign classification is not in English, **affix** the equivalent U.S. classification marking to the foreign classified material, note the foreign country name before its classification **marking**, and mark "U.S." before the U.S. classification (see paragraph **he**, **ISM**). If **the** foreign classification appears **in** English, an additional classification marking is not required. *

(b) **Forward** to the contractor, in accordance with U.S. rules for safeguarding classified information, the classified information received from the foreign government or its representatives. When requested by the foreign government, ensure that the contractor furnishes receipts for the information.

(c) Maintain a record of receipt and dispatch of all foreign classified material.

8-103. Foreign Government Classified Contracts or Subcontracts to U.S. Industry.

a. The procedures of this section apply to the protection of foreign government classified information released to a cleared U.S. contractor. They apply to those cases in which contracts, subcontracts, or precontract negotiations, involving foreign classified information, hereinafter referred to as classified contracts, are placed or entered into within the U.S. by a foreign government or a foreign firm on behalf of the foreign government. **Normally**, a-foreign government **will** place a classified contract through U.S. Government-channels. The initial point of contact on the

placement of a foreign classified contract in the U.S. will be the Deputy Director (Industrial Security), HQ DIS. If the CSO ascertains, either through the U.S. contractor concerned or by recurring inspection; that a foreign classified contract has been placed outside government channels, such information shall be reported immediately to the Director, DIS, ATTN: Deputy Director (Industrial Security). That office, after contacting the foreign government concerned, will furnish to the CSO appropriate instructions for handling the security aspects of the foreign contract. The CSO will ensure that appropriate instructions are provided to the U.S. contractor concerned.

(1) Except as provided in paragraph (2) below, the Deputy Director (Industrial Security), HQ DIS will administer the security aspects of such contracts including establishment of channels of transmission of classified information or material.

(2) A UA may administer the security aspects of classified contracts including the establishment of channels of transmission of classified material or information in the following cases:

(a) for contracts in support of the Mutual Aid Program (MAP) ,

(b) when the U.S. Government, through a UA, contracts for classified defense material, including technical data, for delivery to a foreign government, and

(c) when the UA is designated as the executive agent 1/ to monitor a classified contract awarded to a U.S. contractor by a foreign government.

b. When the Deputy Director (Industrial Security), HQ DIS, determines that an appropriate security agreement does not exist, it will so advise the CSO. In the absence of a specific security agreement or other type of agreement containing a security clause obligating the U.S. Government to protect the foreign government's classified information, the contractor will be advised by the CSO to that effect, that the U.S. Government does not ensure the safeguarding of any foreign classified information released directly to the U.S. contractor, and that such information will be protected in accordance with instructions received from the foreign government or foreign contractor releasing the information to the U.S. contractor. The U.S. contractor shall be advised by his or her CSO that when an appropriate security agreement does not exist, the contractor shall not indicate or infer that the U.S. Government will be involved in the safeguarding of any foreign classified information released to the U.S. contractor. The contractor should notify the foreign government involved.

1/ The executive agent is the UA appointed by appropriate authority within the DoD to act for a foreign government in that foreign government's contract with U.S. industry.

c. Responsibilities of the Deputy Director (Industrial Security), HQ DIS.

(1) Effect necessary coordination of security matters between activities of the DoD and **UA's**.

(2) Establish, subject to the provisions of this and other applicable regulations, procedures for the transmission of classified information between the foreign country and the U.S., and the U.S. and the foreign country. These procedures **will** be coordinated with the designated agency of the foreign government which is responsible for security measures related to the contract. Appropriate guidance shall be furnished to the CSO (see paragraph **8-102g** Above).

(3) Notify the contractor, through the **CSO**, of the **procedures** for the transmission of classified information which have been established.

(4) Notify the CSO when the precontract discussion between the foreign government and the U.S. facility on the contract being performed will involve the release or disclosure of foreign classified information to a facility.

(5) Obtain security classification **guidance** from the foreign government, assign equivalent U.S. security classification? and furnish copies of it to the contractor through **the CSO**.

(6) Assist the contractor in resolving questions concerning classification of foreign government information. In coordination with the designated foreign government agency, arrange for a review of the foreign classified information for downgrading or declassification during performance of the contract and when the contract is completed.

(7) Obtain copies of the security requirements clause and **any** other security provisions of the contract. Forward copies to the **CSO and** the contractor, through the CSO.

(8) Coordinate with the ACO to ascertain that the actions set forth in **the table in** paragraph e below, which the **ISM** and this regulation charge to the **ACO**, have been taken. Coordinate with the designated agency **of** the foreign government prior to taking any action hereunder which will result in a direct security cost, or when otherwise necessary. (Duties **not** specifically assigned herein are **reserved** to the foreign government or foreign contracting activity concerned.)

(9) On receipt **of report** from the **CSO** under paragraph c(4) below, advise the foreign government concerned.

d. Responsibilities of the CSO. The **CSO** shall **perform** the **functions** prescribed in the **ISM** and this regulation **on** the same basis as would **apply** to a facility performing on a U.S. classified contract. This **shall** include, but shall not be limited to, the granting of a **FCL** required to

accomplish the foreign classified contract, the conduct of **FCL** surveys, and the performance of industrial security inspections. In addition', the CSO shall be responsible for the following.

(1) Take the action set forth in the following table **which** the ISM and this regulation charge to the **CSO**.

(2) Submit through the Director, DIS, ATTN: Deputy Director (Industrial Security), to the ACO for approval, any action hereunder **which** will **result in** a direct security cost, or when otherwise necessary.

(3) Ensure that contractors having access to foreign classified information are informed of their responsibility to. safeguard it **in** accordance with applicable laws, regulations, and security agreements.

(4) Report promptly to the Director, **DIS**, ATTN: Deputy Director (Industrial Security), by phone or message, the loss, compromise, or suspected compromise of foreign classified information, which occurs while the security of the information is a responsibility of the U.S. This advance notice should include a **brief** statement of the facts surrounding the incident and an indication as to when the complete investigative report will be submitted. Under no circumstances should the CSO communicate directly with agencies of the foreign governments on such matters.

(5) Report to the Director, DIS, **ATTN:** Deputy Director (Industrial Security), **when in** the course of recurring inspections or by other means, it **is** ascertained that a foreign classified contract has been placed by either a foreign government or a foreign contractor with the U.S. contractor (without having utilized secure government-to-government channels).

(6) Mark the U.S. classified material, or cause **it** to be marked, with the equivalent foreign security classification.

(7) Examine classified material, or cause the material to be examined, which is proposed for transmission to the foreign government or its representatives, to ensure that only authorized U.S. classified **informa-**tion is contained in the shipment.

(8) **Ensure** that the shipment, to the point where the **representative** of the foreign government accepts security responsibility, is made in accordance with U.S. regulations for the transmission of classified information.

(9) Obtain **an** appropriate receipt for the shipment from the representative of the foreign government.

(10) Include a provision in the contract that all U.S. classified information furnished or generated under the contract with the foreign government or contractor shall be returned on completion or termination of the contract to the UA of the U.S. contractor, in the case of a subcontract, or that permission to retain the information shall be obtained from the UA.

(11) The **UA shall** inform the Director, DIS, **ATTN:** Deputy Director (Industrial Security), when it authorizes a U.S. contractor to place a U.S. classified contract in a foreign country involving disclosure of U.S. classified information to the foreign country.

e. Table of Functional Responsibilities - Foreign Classified Contracts. Certain duties which this Regulation and the **ISM** assign to the contracting officer or to the contracting User Agency are, with respect to foreign classified contracts, assigned to the Deputy Director (Industrial Security), HQ DIS, the administrative contracting officer, or the cognizant security office. Table 1 shows the assignment of these responsibilities. Duties not specifically assigned in the table are reserved to the foreign government agency or foreign contracting activity concerned (see paragraph **1-101d(2)**). Requests for instructions concerning security responsibilities reserved to the foreign government or foreign contracting agency shall be submitted through the Director, **DIS, ATTN:** Deputy Director (Industrial Security).

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Table 1

Action	References	Deputy Director (Industrial Security), HQ DIS			ACO	CSO
1. Approves retention of classified information by contractor or subcontractor.	Pars. 51 5m and 64, ISM	-----			x	
2. Authorizes and provides instruction for transmission of classified information outside the facility.	Pars. 5 and 17, ISM	-----			x	x
3. Authorizes reproduction of classified information.	Par. 18, ISM	-----			x	
4. Authorizes destruction of certain classified information.	Par. 19, ISM	---			x	
5. Approves visits for Categories 2 and 3 visitors.	Par. 41, ISM	-----			x2/	x
6. Approves electrical alarm service .	Pars. 35 and 36, ISM	---			x3/	x
7. Approves controlled areas.	Par. 34, ISM	-----			x3/	x
8. Authorizes disclosure of TOP SECRET (TS) information to subcontractor.	Par. 59, ISM	-----			x	
9. Receives notification of award of classification subcontract 4/ .	Par. 62, ISM		x		x	x
10. a. Approves security classification guidance for subcontracts. b. Obtains security classification guidance for subcontracts.	Par. 60, ISM	- ----			x	
11. Investigates security violations.	Section 5, ISR	-----			-----	x
12. Takes action regarding certain interim PCL's and PCL's 5/ , if there will be a crucial delay in the contract performance.	Pars. 2-102 and 2-307, ISR		x		-----	x

2/ Some foreign contracts will be managed by the country's personnel directly from the country concerned, its Washington embassy, or other means with no U.S. contracting officer involved. U.S. UA'S control Category 4 visits as well as Category 3. Necessary coordination will be effected with the Deputy Director (Industrial Security), **HQ DIS**, the CSO, and the contractor concerned.

3/ If costs are involved, the ACO authorizes reproduction of classified information.

4/ This notice shall be sent to the CSO **of** the subcontractor.

5/ Approval on interim **PCL's** will be taken by DISCO at the direction of the Deputy Director (Industrial Security), **HQ DIS**.

8-104 Procedure **for the** Security of U.S. Classified Contracts or *
Subcontracts Awarded to a Foreign Contractor. The **UA may** initiate action *
to award, or 'permit one of its contractors to award, a classified contract *
to a foreign contractor in accordance with the UA regulations, provided **the** *
classified information involved has been approved for release (or is deter- *
mined to be releasable) to the government of that country under the National *
Disclosure Policy, and the foreign government concerned has entered into a *
security agreement or other security arrangement with the U.S., under which *
it agrees to protect U.S. classified information released to it (see **para-** *
graph 65, **ISM**, and 8-101). *

a. The UA acting on its own behalf, or on behalf of its con- *
tractors or subcontractors, shall communicate directly with the designated *
foreign agency **to** accomplish the following. *

(1) Request approval for the placement **of prime** contracts or *
subcontracts in the foreign country. *

(2) Obtain the necessary security assurance or arrange for *
the clearance of the foreign facility to be visited and approval of visits *
of U.S. personnel necessary to carry on **precontract** negotiations leading to *
the award of a classified contract. *

(3) Request approval for individual visits, or establish an *
approved list for continuing visits, to activities in the foreign country in *
connection with the classified contract._ Requests for approval of visits *
shall include the information set forth in paragraph 37d, **ISM**. The general *
policies relating to visits set forth in paragraph 3-400 are equally appli- *
cable to visits in connection with U.S. contracts awarded to firms in for- *
eign countries. *

b. On approval of the contract by the foreign government, the *
UA shall be responsible **for** the following. *

(1) Include, or cause to be included, **a** security require- *
ments clause **in** each U.S. classified contract awarded to a foreign firm. *
This **shall include** any special security requirements necessitated by *
differences in the industrial security system of the foreign government. *

(2) Specify in the security clause, limitations, if any, *
to be placed on the authority of the contractor to place classified *
subcontracts. *

(3) Furnish, to the designated foreign government agency *
security classification guidance for each classified contract. Guidance *
shall be kept current **and** reviewed for downgrading or declassification *
action when **the** contract **is** completed. *

(4.) Establish, subject **to** the provisions of this and other *
applicable **regulations**, procedures for **the** transmission **of** classified infer- *
mation between activities **in** the **foreign** country and activities **in** the U.S. *
These procedures shall be coordinated with the CSO and the **designated** agency *
of the foreign government. *

(5) Designate the U.S. activity or representatives through which all transmission of classified information between the U.S. and foreign **government** shall pass. *

(6) Mark the U.S. classified material, or cause **it** to be **marked**, with the equivalent foreign security classification. *

(7) Examine classified material, or cause it to be examined, which is proposed for transmission to the foreign government or its **representatives**, to ensure that only authorized U.S. classified information is contained in the shipment. *

(8) Ensure that the shipment, **to** the point where the **representative** of the foreign government accepts security responsibility, is made **in** accordance with U.S. regulations for the transmission of classified information. *

(9)- Obtain an appropriate receipt for the shipment from the representative **of** the foreign government. *

(10) Include a provision in the stating contract that all U.S. classified information furnished or generated under the contract with the foreign government or contractor **shall** be returned on completion or termination of the contract to the UA or U.S. contractor, in the case of a subcontract, "or that permission to retain **the information shall** be obtained from the **UA**. *

c. The UA shall inform the Director, DIS, ATTN: Deputy Director (**Industrial Security**), when it authorizes a U.S. contractor to place a U.S. classified contract in a foreign country involving disclosure of U.S. **classified** information to the foreign country. *

Part 2. PROCEDURES PERTAINING TO U.S. PATENT AGENTS ENGAGED IN FILING CLASSIFIED PATENT APPLICATIONS FOR FOREIGN **GOVERNMENTS** *

8-200 Application. *

a. in order to conform with agreements entered into between the U.S. Government and certain foreign governments pertaining to the reciprocal **filing** of classified patent applications, the following procedures have been developed by the DoD and the representatives of certain foreign governments. *

b. These procedures will apply only to those **cases in** which U.S. patent agents are engaged in filing classified patent applications in the U.S. Patent Office under a secrecy order on behalf **of** one of the **participating** foreign governments (see paragraph 8-203). *

c. The DoD industrial security procedures shall be used to protect the foreign classified information released to U.S. patent firms. *

8-201 General. The DIS, on the request of the designated rep'resentative of the participating foreign government, will assume responsibility for the FCL of U.S. patent firms that **will** be engaged in this program. *

a. The foreign government concerned will request the Armed Services Patent Advisory Board (hereinafter referred to as the Board) to provide information **as to** the clearance status of U.S. patent firms prior to the release of any classified information to the firm.

b. The Board will forward the request to the Director, **DIS**,
ATTN : Deputy Director (Industrial Security).

c. If the firm either does not possess a **FCL** or the current clearance is at a lesser level than required, the CSO will be requested by the Deputy Director (Industrial Security), **HQ DIS** to process the firm for an appropriate FCL. On completion of such action, the Deputy Director (**Industrial Security**), **HQ DIS** will be advised. In turn, **HQ DIS** will notify the Board.

d. The Board will inform the foreign government concerned of the status of the clearance and the address of the **CSO** which has security **cognizance** over the **facility**.

e. After a clearance has been granted or confirmed, the foreign government concerned may then deliver the classified information to the facility, or it may send the classified information through the CSO. At the discretion of the foreign **government** concerned, the U.S. patent agent may be authorized to return the foreign government's classified information directly to that foreign government. On the initial release of the information to the facility, the foreign government concerned will notify the CSO that the classified material **has** been physically delivered and specify the channel for transmission of foreign classified information which the U.S. patent agent has been authorized to follow.

f. On receipt **of** such notice, the CSO **will** inform the facility that **it is** obligated to protect the classified information furnished to it in accordance with the procedures established **in ISM**.

g. If the foreign government concerned **is** advised by the Board that the U.S. patent **agent** does not have the capability to physically safeguard **the** classified information, the foreign government may transmit the classified information to the designated CSO. **In** such cases, the CSO shall retain physical custody of the classified information, until the facility develops the necessary capability for safeguarding. The classified information shall then be delivered to the facility by the **CSO**. The CSO shall advise **the** Director, **DIS**, ATTN: Deputy Director (Industrial Security) when the facility develops the ability for safeguarding and when the classified information has been delivered. That office shall then inform the Board. The Board, in turn, **shall** notify the foreign government.

h. So long **as a** foreign government or firm maintains an agreement **or** contract with a cleared patent attorney or agent in the U.S. for the **filing** of classified foreign patents, **the** CSO **shall** keep the Deputy Director (Industrial Security), **HQ DIS** informed of any change **in** the status of the facility.

i. If the foreign government concerned desires to release information of a higher classification category than the level of the FCL, the foreign government will request information from the Board regarding the eligibility of the facility to receive the higher category of classified information.

j. The above procedures shall not apply when TOP SECRET information is involved. If a requirement should arise involving a patent application in the TOP SECRET category, the matter will be handled on an individual basis between the foreign government-concerned, the Board, and the Deputy Director (Industrial Security), HQ DIS. The Deputy Director (Industrial Security), HQ DIS shall determine the security requirements in the specific case and shall so advise the CSO.

8-203 Participating Countries. The following countries have executed agreements to participate in this procedure: Australia, Belgium, Canada, Denmark, Republic of France, Federal Republic of Germany, Greece, Italy, Luxembourg, The Netherlands, Norway, Portugal, Sweden, Turkey, and the U.K.

Part 3. OFFICE OF INDUSTRIAL SECURITY INTERNATIONAL

8-300 General. The DoD has established the 01S1 to provide administrative assistance for industrial security purposes to U.S. industry in their marketing, liaison, and technical assistance activities outside the U.S. "The 01S1 operates under the **supervision** and direction of the Deputy Director (Industrial Security), HQ DIS. The 01S1 acts as the central file outside the U.S. for information pertaining to security clearances and security assurances for U.S. citizen contractor employees assigned outside the U.S. Such information from the file is available for **official** use by agencies and activities of the U.S. Government, foreign governments, NATO, and U.S. contractors.

8-301 Functions.

a. The 01S1 assists U.S. industry, foreign governments, and international pact organizations by processing classified visit requests for U.S. contractor employees, and by providing: storage for classified material; secure mail channels for transmission of classified material between a contractor in the U.S. and an approved destination outside the U.S., when specifically authorized by the Deputy Director (Industrial Security), HQ DIS; and security briefings, orientations, and certificates.

b. When assigned, the 01S1 inspects contractor activities on U.S. Government installations outside the U.S.

8-302 Addresses.

a. Military Mailing Address -- Office of Industrial Security International, APO New York 09667

b. Civilian Mailing **Address** -- Office of Industrial Security, International, **Steenweg Op** Leuven 13, 1940 St. **Stevens-Woluwe, Brussels,** Belgium

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c. U.S. Cable Telegram Address -- 01S1 Brussels, Belgium

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d. Other Cable -- 01S1, American Embassy, Brussels, Belgium, 1000
Brussels, " Belgium

e. TELEX Address -- 01S1, American Embassy, 21336, Brussels

f. Telephone -- Brussels 0-322 720-8259

g. **Mannheim**, West Germany, **Field Office -- Commercial** *
. (49621) **472582**, Autovon 380-8363 *

h. 01S1 - Far East (FE), Yokohama, Japan -- **Commercial** *
045-441-0378, **Autovon** 235-6703 *

Part 4. OVERSEAS OPERATIONS OF U.S. CONTRACTORS

8-400 General.

a. This part, sets forth access and safeguarding requirements for cleared U.S. citizen employees of U.S. cent **ractors** assigned to duty stations outside the U.S. These requirements also apply to U.S. citizens who, in addition to being cleared as employees, of cleared U.S. contractors, also are dual-status employees of foreign subsidiaries which are wholly owned **and** controlled by **cleared U.S. facilities.**

b. This part does not apply to:

(1) uncleared employees of cleared U.S. contractors who are stationed outside the U.S. ,

(2) U.S. citizens who are representatives of any foreign interest or employees of foreign subsidiaries of cleared U. S, facilities but do not hold dual-status employment with the owning or controlling U.S. facility, and

(3) representatives (not employees) of cleared U.S. contractors.

c. Cleared employees of U.S. contractors stationed overseas are eligible to attend periodically scheduled security briefings conducted by the 01S1. - These brief **ings** are designed to familiarize the employee with the international aspects **of** the DoD Industrial Security Program and the security requirements unique to the foreign countries in which the contractor does business.

8-401 Access. Contractors are authorized to grant access to U.S. classified information to their cleared employees who are assigned overseas, subject to the following.,

a. Access to U.S. classified information identified In this sent **ence shall** be granted **only** with the prior written approval of the UA **having** primary **int** crest **in the inf ormat ion** concerned:

(1) TOP SECRET information;

(2) RESTRICTED DATA OR FORMERLY RESTRICTED DATA ,

(3) **COMSEC** and COMMUNICATIONS ANALYSIS information (see paragraph 6 of reference (q)),

(4) special access programs information (see paragraph 5, **ISM**), and

(S) information for which foreign dissemination has been prohibited in whole or in part.

b. Access shall be limited strictly to that information required by employees for performance of the specific duties or contracts for which they are assigned overseas. Furthermore, access to U.S. classified information under this part shall be made, to the maximum extent practical on an **oral** or visual basis. When physical access is to be granted to an employee, ~~the~~ appropriate safeguarding provisions set forth in paragraph **8-402**, shall be-strictly complied with.

c. Access to U.S. classified information for cleared employees assigned overseas may be "granted both in the U.S. and overseas.

d. Access to U.S. classified information **granted to** cleared employees of a cleared U.S. facility who are also employees of a U.S. wholly-owned and controlled foreign subsidiary of such facility **is** granted only in their capacity as employees of the cleared U.S. facility. Contractors granting the access are responsible for ensuring that their employees provide the required safeguards **for any** classified information which may be disclosed to them. in addition, contractors shall take appropriate action to ensure" that U.S. classified information entrusted to the employees is not further released or **made available** to other **employees** of the foreign subsidiary.

8-402 Safeguarding U.S. Classified Information. The following additional safeguards are prescribed in connection with U.S. contractor overseas operations.

a. Transmission. Transmission of classified material outside the U.S. **by** cleared contractors shall be in accordance with paragraph 17e, **ISM**. **Hand-carrying** of classified information by cleared contractor employees is not permitted, unless **it** is accomplished in accordance with paragraph **1-602e(1)**. The material must be addressed to a U.S. military activity or other U.S. Government activity, and must be marked for the attention of the contractor or the employee for who it is intended. The U.S. activity" will notify the contractor or contractor employee of the receipt of the material. Classified material must be transmitted only through U.S. Government channels. Normally transmission will be by Registered Mail through U.S. Military Postal **Service** or by **ARFCOS**. However," the contracting officer may authorize any of the other approved methods of transmission described in paragraph 17e, **ISM**. If disclosure authorization is required and has been obtained, it should be cited in the transmission document with the effective dates and any other limitations. The contractor must make prior arrangements for the storage of U.S. classified material with a U.S. military installation, the OIS1, a military attache, a **MAAG** and Office of Defense Cooperation **or** a U.S. diplomatic or consular office, prior to-transmitting" U.S. classified material overseas.

b. Custody and Storage.

(1) Personnel authorized access to U.S. classified material overseas will normally only be permitted such access at a U.S. Government activity. The storage of U.S. classified material overseas at any location other than a U.S. Government-controlled installation is prohibited.

(2) It is the responsibility of the U.S. Government representative acting as custodian for the classified material ~~to~~ ensure him or herself that: (i) the contractor employee has an appropriate security clearance for the level of access involved, (ii) an established ~~need-to-~~ know, and ~~(iii)~~ that the presence ~~of~~ classified material overseas has been authorized by the contracting officer. **Additionally**, the U.S. Government activity providing storage for the contractor shall establish procedures to ensure that classified material removed from storage for use is either returned at the end of the workday or **is** to be stored at another U.S. military or U.S. Government-controlled installation.

(3) Classified material which **is** in temporary storage for contractors **is** the responsibility of the holding activity and is to be handled and stored **in** accordance with regulations applicable to the host activity. The material shall not be controlled in any more lenient manner than the host activity's own classified material. ,

(4) If, in the performance of a contract, project, or mission unusual conditions make **it** necessary for a contractor employee to have temporary physical custody of U.S. classified material, authorization for removal must be obtained from a responsible official of the holding activity. When such custody is authorized, the employee **is** responsible ~~for~~ personal possession and **surveillance** of the material. Immediately following the purpose for which the material was needed and the removal was authorized, but in all cases prior to the end of the **workday**, the material is to be returned to the U.S. Government activity for storage purposes. While in transit in the employee's custody, the classified material must be double wrapped and accompanied by either: **(i)** a contractor employee, courier, or **escort** who is cleared for access to the level of the classified information involved, or **(ii)** accompanied by a U.S. Government civil **service** employee or military person who is cleared for access to the level of the classified information involved. Hand-carrying of classified material by contractor employees across international boundaries is prohibited. **In** the event the contractor has not returned the classified material at the end of the workday and arrangement for approved storage elsewhere has not been made, the U.S. Government representative shall immediately initiate **an** inquiry to determine all the facts. If appropriate, a spot report will be forwarded to DISCO and the **CSO** of the HOF with information copies to **OISI**, the Deputy Director (Industrial Security), **HQ DIS**, and the contracting officer. Subsequently, a complete report will **be** made and submitted to the same addresses. The **CSO** will **bring** the matter to the attention of the contractor's HOF and obtain an assurance from the management that there will be no recurrence. **DISCO**, on receipt of the report, **will**, if appropriate, take the action required **by** paragraph 2-230. The **CSO** and DISCO will advise the government activity initiating the inquiry, and the contracting officer, of the results of the action taken.

c. Disclosure. Except as provided for in paragraph 3-400, contractor personnel are not authorized to disclose classified information to any foreign government or its representatives. Cleared contractor , personnel overseas may, however, disclose classified information:

(1) to other cleared personnel within their company who have been granted a LOC at the required level and who have a need-to-know for access to the information concerned,

(2) to any appropriately cleared military or civilian member of a UA who has a valid need-to-know, and

(3) outside the contractor's organization **within** the U.S. only in accordance with the ISM, and outside the U.S. only in accordance with specific instructions from the contracting officer of the UA.

Part 5. ACCESS TO CLASSIFIED INFORMATION OF FOREIGN GOVERNMENTS AND INTERNATIONAL PACT ORGANIZATIONS UNDER A U.S. SECURITY ASSURANCE

8-500 General. In **its** relations with friendly and allied foreign governments, the U.S. has entered into various treaties and agreements whereby each signatory government agrees to safeguard **the** classified information released to it by the other government. These range from bilateral agreements which provide only that each government will safeguard, in "accordance with mutually agreed procedures, the classified information released to it by the other government, and that the information will not be disclosed to a third country without the ccnsent of the, originating government, to multilateral treaties establishing international organizations for concerted defense, with either a technical annex establishing the detailed procedures **and** standards for safeguarding classified information originated or disseminated by the organization, or provisions authorizing the organization to establish mutually agreeable regulations for safeguarding such information.

8-501 Security Assurances.

a. In order to assist U.S. cleared contractors in meeting personnel security requirements imposed by friendly and **allied** foreign governments with whom the U.S. has entered into bilateral security agreements for access by U.S. citizens to foreign classified material, which is under the contract of the foreign government or organization, the contractor **will** send a request for the necessary security assurance **to** the Director, DISCO. The application shall be made in accordance without the requirements of paragraph 99a, ISM.

b. DISCO shall ascertain the security status of the individual and make a security assurance determination. A favorable determination will result in issuance of the security assurance to the requesting contractor; a DISCO Form 560 will also be entered into DISCO's files, but will not be issued to the contractor unless, in accordance with paragraph 99a(3)(e), **ISM, access will include U.S. originated and appropriately marked classified** information. This action will involve making inquiry of the PSCF, a UA, or **other** federal agency, **according to available information regarding clearance**

status of the individual. If the individual does not have a valid LOC on file, DISCO shall initiate an appropriate investigation. If the security assurance requested is for SECRET or CONFIDENTIAL, a NAC is required. **If** the assurance requested is for TOP SECRET, a **BI** is required. If DISCO can not make a favorable determination, or there is a -Justifiable need to suspend or revoke a LOC on which the security assurance has been issued, DISCO will **follow** the procedures in paragraph 2-320.

8-502 Administrative Termination of Letters of Consent. On receipt of notification from the contractor under paragraph **6b(b), ISM**, that a cleared immigrant alien resides or is assigned outside the U.S., Puerto Rico, Guam, or the Virgin Islands, DISCO will administratively terminate without prejudice the LOC issued the individual and so advise the contractor.

8-503 Annotation of Clearance Records. On receipt of the report of an overseas assignment required by paragraph **6b(2), ISM**, DISCO will **annotate** the PSCF to reflect the employee's new duty assignment and notify 01S1 of the action, so that 01S1 may amend its records. The **PSCF**, and the record provided to 01S1, shall reflect that the briefing prescribed **by** paragraphs 97 and 99a, **ISM**, has been accomplished.